



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Set Public Hearing for February 19, 1992 to consider changing the Lodi Municipal Code to authorize the City to collect late fees for delinquent utility bills.

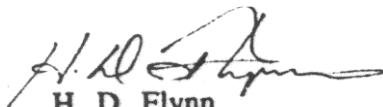
MEETING DATE: February 5, 1992

PREPARED BY: Finance Director

RECOMMENDED ACTION: That the City ~~set~~ a public hearing for ~~February 19, 1992~~ to discuss the ~~adoption of~~ changes to the ~~Lodi~~ Municipal code ~~to~~ authorize the City to impose ~~and~~ collect late payment fees for delinquent utility bills.

BACKGROUND INFORMATION: At a Shirt Sleeve Session on December 10, 1991, the City Council reviewed several proposals made by staff to encourage the timely payment of the City's utility bills. One proposal made was to impose and collect a fee for late or delinquent payment of utility bills. Based on the direction given by Council on December 10, 1991, this recommendation should be scheduled for public hearing February 19, 1992 and introduced on March 4, 1992 for adoption of an ordinance to change the Lodi Municipal Code. A public hearing is required to adopt this recommendation.

FUNDING: None


H. D. Flynn
Finance Director

Attachments:

Utility Fees and Deposits Policy
Draft Ordinance
Draft Resolution

CC: City Attorney
Electric Utility Director
Public Works Director

APPROVED: _____

THOMAS A. PETERSON
City Manager



recycled paper

CITY OF LODI - FINANCE DEPARTMENT

UTILITY FEES AND DEPOSITS POLICY

RATES, FEES, AND DEPOSITS

The City of Lodi will provide reliable and cost effective utility services to its customers. In accomplishing this goal, utility Operations will be efficiently managed and based on sound economic principles, which in part means, following prudent business practices and setting equitable service rates, fees, and deposits. As such, rates, fees, and deposits will be based on the cost of service, encourage conservation, promote timely customer payments, and will be sensitive to customer needs, capacity to pay, and the economic health of the community.

INITIATION OF SERVICE AND DELINQUENCY DEPOSITS

All applicants for utility services will establish credit by depositing in advance the amount of a monthly service charge. Such deposits will be either credited to the customer's regular bill or closing bill, following one year of satisfactory payment history or by agreeing to attend a utility conservation class (electrical, gas, water, sewer, garbage) approved by the City. After establishing good credit with the City, deposits for new or additional accounts will not be required. The Finance Director may waive the initial deposit for industrial and commercial customers to promote economic stability and commercial growth; however, a deposit will be required from those customers whose account is closed for failure to pay prior to reconnecting services.

NEW SERVICE DEPOSIT

CLASS	INSIDE CITY	OUTSIDE CITY
Residential	\$ 50	\$ 80
Mobile Home Park	1,200	1,800
Group I	120	180
Group 2 through 5	2,200	3,300

RESTORATION-RECONNECTION CHARGE

A restoration-reconnect on charge will be paid by customers prior to restoring and re-connecting City utilities for non-payment as provided below:

During normal working hours:	\$33
Weekends, holidays, and after normal work hours: •	\$48

* Also the charge to be levied for new service connections after normal work hours, on holidays and weekends.

DELINQUENT CHARGES (not to be implemented until approved by Council)

A delinquent charge of \$10 after 60 days (third bill) and \$25 after 90 days (closing or final bill) shall be applied to all past due accounts until sealed for non-payment or until no prior month charges are outstanding.

The Finance Director may waive delinquent charges in whole or part to promote goodwill with City customers when requested by a customer for reasons of hardship or timely payment could not have been reasonably expected based on personal considerations.

CUSTOMER ASSISTANCE

At the time utilities are disconnected for non-payment and reinstatement of services is requested by a customer, the Finance Director may negotiate a one-time repayment schedule for up to six months for those customers who can demonstrate their ability to pay. Normally a repayment schedule will be established when a City customer can demonstrate financial hardship due to the recent loss of employment or other unusual hardship conditions.

In all other cases the City will refer customers to appropriate assistance agencies such as "Reach program" offered by the Salvation Army and "Energy Crises Intervention program" offered by San Joaquin County Department of Ageing.

ORDINANCE NO.

AN ORDINANCE OF THE LODI CITY COUNCIL
AMENDING LODI MUNICIPAL CODE CHAPTER 13.04 -
"SERVICE GENERALLY"

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Lodi Municipal Code Chapter 13.04 is hereby amended as follows:
(Parts removed from the existing code are in ~~strikeout~~ and additions underlined).

Chapter 13.04, SERVICE GENERALLY

Sections:

- 13.04.010** Definitions
- 13.04.020** Application for ~~service or~~ discontinuance
- 13.04.030** Bill payment ~~and~~ delinquency
- 13.04.040** ~~connections~~ generally
- 13.04.050** Connection charges
- 13.04.060** Apartments and flats
- 13.04.070** Restriction or ~~interruption~~
- 13.04.080** connection or reconnection by plumbers
- 13.04.090** Right of ~~access~~ for inspection
- 13.04.100** Pipe and ~~facility~~ maintenance
- 13.04.110** Service only to ~~contracted~~ premises
- 13.04.120** Bill adjustment
- 13.04.130** Low income adjustments

13.04.030 Bill payment and delinquency.

A. Payment. All bills for ~~the services~~ enumerated in this chapter ~~are~~ due and payable upon receipt thereof, ~~at the~~ finance department, City Hall, Lodi, California. and become delinquent twenty days after the postmark date of ~~the~~ bill.

B. Delinquency. ~~The~~ director of finance shall send notice of delinquent bills, and if all delinquent charges for ~~service~~ are not paid within ten days after mailing this notice. then the director of finance may discontinue all ~~service~~ furnished to the customer by the city, ~~the~~ customer shall be given the opportunity to be heard as to any adjustment or cancellations of any bill. The hearing shall be held before the director of finance or his designee. In the vent of a discontinuance of service, as provided in this sub-section, the director of finance may require as a condition precedent to the resumption of service that the customer pay:

1. The amount of the delinquent bill;
2. The cost to ~~the city~~ of discontinuing and resuming service; and
3. A deposit in an amount not exceeding the estimated amount of charges for two months' service.

The finance director may waive delinquent amounts and negotiate a one-time re-payment schedule for up to six months (within any twelve month period) when in the opinion of the finance director the customer can demonstrate financial hardship due to the recent loss of employment or another hardship condition.

C. Closing Bills. Closing bills are due on the date on which service is discontinued. (Ord. 1333 & 1 (9)(A); prior code & 2-39)

D. Late Charges. Delinquent bills shall be assessed a late charge which will be set from time to time by the City Council. The late charge may be waived by the finance director when considered to be in the best interest of the City when the customer can present evidence of financial hardship or convincing information that timely payment could not have been reasonably expected.

RESOLUTION NO.
A RESOLUTION OF THE LODI CITY COUNCIL
SETTING A LATE FEE FOR DELINQUENT UTILITY BILLS

WHEREAS, it is the policy of the City Council that the enterprise activities (water, sewer, electric, solid waste) of the City be efficiently managed and based on sound economic principles by following prudent business practices; and

WHEREAS, it is the policy of the City Council to encourage customers to pay utility bills on a timely basis and to discourage delinquent utility bills; and

WHEREAS, it is the policy of the City Council that City staff will be sensitive to customer hardships or other unusual circumstances that preclude timely payment of utility bills.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that the following late fees for delinquent utility bills is approved and that the Director of Finance may waive these fees when in his opinion a customer has presented reasonable evidence of financial hardship or convincing information that timely payment could not have been expected:

Bill	Amount
First	Utility Rate Only
Second	Utility Rate Only
Third	Utility Rate plus \$10 late charge
Final	Utility Rate plus \$25 late charge

Dated: April 2, 1992

I hereby certify that Resolution No. _____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 5, 1992 by the following vote:

Ayes: Council Members -

Noes: Council Members -

Absent: Council Members -

Alice M. Reimche
City Clerk



CITY OF LODI

CARNEGIE FORUM
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: March 4, 1992

Time: 7:30 p.m.

For information regarding this Public Hearing
Please Contact:

Alice M. Reimche
City Clerk
Telephone: 333-6702

NOTICE OF PUBLIC HEARING March 4, 1992

NOTICE IS HEREBY GIVEN that on Wednesday, at the hour of 7:30 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing to consider the following matter:

- a) introduction of an ordinance entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Chapter 13.04 - 'Services Generally'" which ordinance would amend the Lodi Municipal Code to authorize the City to impose and collect late fees for delinquent utility bills.

All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.


If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the Public Hearing.

By Order Of the Lodi City Council:


Alice M. Reimche
City Clerk

Dated: February 5, 1992

Approved as to form:


Bobby W. McNatt
City Attorney